



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

SECOND SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO BOSTON EDISON COMPANY, CAMBRIDGE ELECTRIC LIGHT COMPANY, COMMONWEALTH ELECTRIC COMPANY AND NSTAR GAS COMPANY DTE 05-85

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Boston Edison Company ("BECo"), Cambridge Electric Light Company ("Cambridge"), Commonwealth Electric Company ("Commonwealth") (together "NSTAR Electric") and NSTAR Gas Company ("NSTAR Gas," collectively with NSTAR Electric, the "Companies") its Second Set of Information Requests relative to their petition for approval of a rate settlement agreement ("Settlement") entered into with the Attorney General of the Commonwealth of Massachusetts, the Low-Income Energy Affordability Network and the Associated Industries of Massachusetts.

Requests

DTE 2-1 Refer to Section 2.32 of the Settlement. Please:

- (a) Define the criteria NSTAR Electric and the Attorney General plan to use to determine whether the initiatives are successful.
- (b) Explain NSTAR Electric's understanding of the Department's role in evaluating the effectiveness of the initiatives as well as the calculation of customer benefits.
- (c) Elaborate on the litigation costs including, but not limited to, the types of costs included, documentation of costs, and timing of recovery.

DTE 2-2 Refer to Section 2.33 of the Settlement. Please:

- (a) Define "a program," elaborating on the scope and the purpose of the program and identifying any specific possible components of the program (e.g., infrastructure improvements, dispatch model improvements, load power factor correction, etc.).

- (b) Identify those types of program components the costs of which are currently not recoverable through existing FERC or Department tariffs. Would approval of the Settlement result in potential double recovery of NSTAR Electric costs? If not, please explain why not.
- (c) To the extent that the program involves the following components, (1) transmission, (2) distribution, (3) dispatch, and (4) demand response, identify the types of corresponding upgrade projects for each component and the reasonable types of costs for which NSTAR Electric would seek recovery through this mechanism.
- (d) Describe potential “incentive mechanisms” and explain how NSTAR Electric would interact with the Department with regard to program implementation if NSTAR Electric and the Attorney General (1) agree on the incentive mechanisms or (2) disagree on the incentive mechanisms.

DTE 2-3 Refer to Section 2.34 of the Settlement. Please:

- (a) Define “unnecessary Reliability Must Run (“RMR”) costs” as used in the first sentence.
- (b) Describe potential “incentive mechanisms.”

DTE 2-4 Refer to Sections 2.32, 2.33 and 2.34 of the Settlement. Please state whether and if so, when, NSTAR Electric plans to seek Department input concerning the following: (1) litigation at the FERC or otherwise, (2) the development of market dispatch improvement programs, and (3) minimizing unnecessary RMR costs.

DTE 2-5 Refer to Section 2.35 of the Settlement. Please:

- (a) Provide some hypothetical examples of this calculation.
- (b) Confirm that a deferral mechanism will not be used.
- (c) Explain how NSTAR Electric plans to quantify benefits associated with the initiatives discussed in Sections 2.32, 2.33, and 2.34. Does NSTAR plan to reconcile the benefit calculation?

- DTE 2-6 Refer to Section 2.19 of the Settlement. The Settlement states that the Restructuring Settlement established an \$8 million storm reserve fund pursuant to D.P.U./D.T.E. 96-23, at 68. D.P.U./D.T.E. 96-23, at 70 indicates the “provision for a storm fund will remain in effect through December 31, 2000.” Please provide the authorization allowing the storm fund to continue from then to the present.
- DTE 2-7 Refer to Section 2.19 of the Settlement. How many times has BECo used the storm fund since its authorization under D.P.U./D.T.E 96-23? How many dollars were transferred out of the storm fund and how was it replenished for each event?
- DTE 2-8 Refer to Section 2.20 of the Settlement. Please:
- (a) State, and provide complete and detailed documentation of, the total amount of emission credits that have been sold to date.
 - (b) Explain how the replenishment funds are derived.
 - (c) Explain the current rate making treatment of the emission credits.
- DTE 2-9 Refer to Article 2.20 of the Settlement. Do Cambridge and Commonwealth have storm funds? If the answer is yes, please state the amounts of those funds, how they are funded and when and how they were authorized. If the answer to the above question is no, explain how Cambridge and Commonwealth fund storm repair expenses.